

CENTRAL INTELLIGENCE AGENCY  
**INFORMATION REPORT**

REPORT

CD NO.

COUNTRY East Germany  
SUBJECT Ministry of Machine Construction

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in the first quarter of 1955. These workers were not to be employed  
but were to be employed on important production projects. The useful  
employment of these surplus workers necessitated a repeated change of  
production and investment plans.

2. The financial plight in all departments of the ministry was more criticaal  
in late 1954 than half a year before. This situation was explained by the  
priority given to the fulfilment of export contracts. The fulfilment of  
normal plan tasks was, therefore, neglected and non-scheduled stocks of semi-  
finished products increased.
3. In mid-October 1954, a special commission in charge of heavy machine  
construction was formed within the Ministry of Machine Construction.  
The commission was headed by Helmut Wunderlich, Deputy Minister of  
Machine Construction. As Melow, chief of the Main Administration  
for Material, was also of the Main Administration for  
and Sales, the special mission of this committee to see that export orders  
was the special mission of this committee to see that export orders  
By early December 1954, the committee did not succeed in eliminating  
exports arrears which further increased to a total of 390 million rubles.  
Efforts to accelerate the fulfilment of export orders by the granting of  
special bonuses to workers and the holding of socialist competitions have  
also failed so far.

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7. In mid-October 1954, a special commission in charge of heavy machine construction was formed within the Ministry of Machine Construction. The commission, which was headed by Heinrich Thaderlich, Deputy Minister of Machine Construction, included Hans Melow, chief of the Main Administration for Materials, Hermann Grosse, chief of the Main Administration for Exports and Sales, and some other chiefs of undetermined Main Administrations. It was the special mission of this committee to see that export orders were met. By early December 1954, the committee did not succeed in eliminating export arrears which further increased to a total of 350 million rubles. Efforts to accelerate the fulfillment of export orders by the granting of special bonuses to workers and the holding of socialist competitions have also failed so far.

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